

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Idaho State Office
1387 South Vinnell Way
Boise, Idaho 83709-1657

In Reply Refer To:
2200 (933) P

November 2, 2004

EMS
Instruction Memorandum No. ID-2005-007
Expires: 09/30/2006

To: Idaho Field Offices

From: State Director

Subject: Idaho Land Exchange Strategy and Guidance

Program Area: Lands and Realty – Land Exchanges under Section 206 of the Federal Land Policy and Management Act (FLPMA).

Purpose: This Instruction Memorandum outlines Idaho's land exchange strategy and identifies Idaho's existing guidance on exchanges.

Policy/Action: Land exchanges are a discretionary action and should only be considered when the District Manager determines that the proposed exchange is clearly in the public interest and if funding and personnel are available to complete the exchange in a timely manner. Land exchanges are a valuable land tenure tool and will continue to be utilized in Idaho. State exchanges are to be given a higher priority than private exchanges. In addition, state exchanges will continue to be processed following the procedures outlined in Instruction Memorandum No. ID-98-081 (Revised Procedures for Processing State Exchanges) and the State/BLM Memorandum of Understanding (BLM MOU ID-378). Exchange proponents, with the exception of exchanges with IDL, must pay 50% or more of the processing costs. The State and BLM have agreed to share the processing costs, but these costs may not always be shared evenly. The BLM-Idaho State Office will continue to use the Compass, yearly budget directives, memorandum, and planning documents to address/supplement Idaho's exchange strategy.

Timeframe: This IM is effective upon receipt.

Background: In FY 2003 the ICT identified the possible need for a statewide land exchange strategy. After a thorough review of our existing guidance, the decision was made to consolidate this guidance in a single memorandum to serve as Idaho's land exchange strategy. Idaho will continue to incorporate land exchange guidance in both the Compass and the budget directives.

In addition, guidance on processing state exchanges, as identified in Idaho Instruction Memorandum No. ID 98-081, is still in effect. The following additional guidance should be adhered to when considering an exchange proposal:

1. Before considering an exchange proposal, consistency with the land use plan needs to be evaluated. If a plan amendment is required, the costs of processing this amendment must be considered in the overall cost of the exchange.
2. All of Idaho's old planning documents identify areas for disposal and areas for retention. Many of these documents also include a list of legal descriptions of lands identified for disposal. Please ensure that as these documents are replaced, the new planning documents continue to address land tenure options.
3. Exchanges are a good land tenure tool, but other disposal and acquisition options must be fully evaluated prior to initiating an exchange. Sales are typically quicker and less expensive to process than an exchange. In addition, the potential exists to deposit these funds in the BACA account which can be used to purchase private lands.
4. State exchanges should be given higher priority than private exchanges. Idaho Instruction Memorandum No. ID 98-081 includes a map which identified State/BLM exchange opportunities. This map was jointly prepared by BLM and IDL and is still current.
5. Strive for full cost recovery in private exchanges, but under no circumstances should BLM cover more than 50% of the exchange processing costs for a private exchange. Exchanges where the proponent is willing to pick up more than 50% of the costs should be given a higher priority than exchanges where the proponent only agrees to pick up 50% of the costs.
6. Although individual Field Offices are generally responsible for developing exchange proposals and processing the exchange, the District Manager must approve all land exchange proposals and/or strategies within their respective Districts. Exchanges which cross District boundaries should be approved by the District Managers involved.

Manual/Handbook Sections Affected: This Instruction Memorandum supplements guidance contained in the BLM Manual Handbook H-2200-1, Land Exchanges.

Coordination: Preparation of this IM was coordinated within the Division of Resources, Idaho State Office.

Contact: Jimmie Buxton, Branch Chief Lands and Minerals, Resource Services Division at (208) 373-3861 or Cathie Foster, Lead Realty Specialist at (208) 373-3863.

Boise District with Union: No Union notification or negotiation is required.

Signed by:
Jimmie Buxton
For K Lynn Bennett

Authenticated by:
Susanna M. Henry
Staff Assistant (ID-933)

Attachments:

1. Instruction Memorandum No. ID-98-081 Revised Procedures for Processing State Exchanges (includes BLM MOU ID-378 State/BLM Land Exchanges and Map identifying BLM/State land exchange opportunities)
2. Table identifying the number of land exchanges completed since 1994
3. List of Idaho's exchanges currently being processed
4. Synopsis of land tenure options as identified in Idaho's existing land use plans

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In Reply Refer To:
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Instruction Memorandum No. ID-98-081
Expires: 09/30/99

To: IMT

From: State Director

Subject: Revised Procedures for Processing State Exchanges

Our current State exchange strategy was established in 1987 with the revision of the "Idaho State/BLM Exchange Strategy." Since then, we have maintained a modest, but successful, land exchange program. During this period we completed 14 state exchanges, transferring approximately 220,000 acres of State and Federal lands. The acquisition of these state lands allowed the Bureau to improve management on the public lands and enhance resource values. In 1994 a Memorandum of Understanding (MOU) between the BLM and the Western States Land Commissioners Association, concerning a renewed interest in land tenure adjustment through exchanges, was signed. In a January 4, 1998 Memorandum to the State Directors, Pat Shea stated "It is imperative that we make every effort to identify and expedite our highest priority land exchanges with the States...."

The Idaho Department of Lands (IDL) is a valued partner in both land exchanges and other land management initiatives. With this in mind, it is important that we jointly identify and process worthwhile State exchanges, within budget limitations and consistent with other priorities.

In an effort to refocus this program, we have (1) replaced the 1987 Exchange Strategy with a new MOU; (2) at the state level, jointly identified potential State/BLM land exchange opportunities; and (3) established new procedures for developing and processing future exchanges. (The foundation for these new procedures is summarized in Attachment 1- Executive Summary, State Land Exchange Program. dated April 10, 1998.)

New Memorandum of Understanding

In response to Washington Office direction, IDL and BLM jointly developed a MOU for land exchanges. This new MOU describes the procedures and guidance necessary to efficiently process land exchanges. This MOU was approved by our State Director and the State Land Board on April 10, 1998 (Attachment 2).

Potential Land Exchange Opportunities

A cooperative effort between BLM and IDL was made to identify potential State/BLM exchange opportunities. The BLM's LeRoy Cook and IDL's Perry Whittaker visited their respective field offices to identify the areas each agency would like to acquire through exchange.

A map was developed from this effort which identifies these as priority areas (Attachment 3). Although the map identifies several areas where BLM would like to acquire State lands and the State would like to acquire public lands, it does not represent all potential exchange opportunities. We have deferred exploring additional exchanges until we have had the opportunity to see where these areas may lead us.

Procedures for Developing and Processing Future State Exchanges

Both the BLM State Director and the IDL Director have agreed to the following procedures for developing and processing specific land exchange proposals. These procedures are generally outlined as follows:

A. Development of State/BLM Exchange Proposals

The BLM District Managers and IDL Area Supervisors will continue to be responsible for the development of specific land exchange proposals. These proposals shall be summarized on the attached form (Attachment 4). One form, signed by both the BLM District Manager and the IDL Area Supervisor, must be completed for each exchange proposal. The completed forms should then be submitted to their respective State Office for further processing. In the case of BLM, the forms should be submitted to the State Director (933). The signatures of the respective managers on these forms signify field agreement for the exchange.

In the development of exchange proposals, field managers are expected to resolve conflicting issues with their counterparts. In the event all issues cannot be resolved, the BLM District Manager and IDL Area Supervisor may submit independent proposals to their respective State Offices with an explanation of why agreement can't be reached. Disputes will be resolved at the State Office level with field involvement.

B. Prioritizing Exchanges and Development of an Out Year BLM/State Exchange Plan

The BLM's Branch Chief, Lands and Minerals and IDL's Bureau Chief of Real Estate will jointly review the exchange proposals submitted by the field offices based on expressed need and relationship to other overriding priorities and develop an out year plan. The proposed out year plan will be reviewed by BLM's DSD, Resource Services Division and IDL's Assistant Director of Land, Range and Minerals. The plan will then be submitted to BLM's Idaho Corporate Team (ICT) and State Land Board for prioritization and approval. Once the plan has been approved, BLM will typically issue instructions for the State/BLM exchange program implementation through our Annual Work Plan process.

C. Monitoring of the State Exchange Program

This program will be monitored to determine if it is functioning to the satisfaction of both agencies. The DSD, Resource Services Division and IDL's Assistant Director of Lands, Range and Minerals shall meet annually in February to review the out year plan, and address issues and concerns encountered when processing these exchanges.

IMPLEMENTATION

We would like to adopt these new procedures immediately. Any new state exchange proposals developed at the field office level must have the concurrence of both agencies' field managers and must be approved by the respective State Directors prior to processing. In order to revitalize the program, District Managers should meet with the appropriate IDL Area Supervisors and discuss new exchange proposals. Please submit any new proposals to the State Director (933) (see Attachment 4). Field managers are encouraged to continue their dialog with IDL field managers and develop additional exchange proposals as necessary. Initially, please focus on those exchanges where successful completion is likely.


for Martha G. Hahn

Attachments

EXECUTIVE SUMMARY
STATE LAND EXCHANGE PROGRAM
PAST, PRESENT & FUTURE
April 10, 1998

I. Past - A Historical Perspective (FY 1986-1998)

The foundation for the current State exchange program was established in 1984 when the "Idaho BLM/IDL State Exchange Strategy" was approved by BLM-Idaho and the Idaho Department of Lands (IDL). The Strategy was updated in 1987 to reflect the concerns of the livestock operators and the Idaho Land Board. On April 10, 1998, the Idaho State Land Board approved a proposed Memorandum of Understanding (MOU) between BLM and IDL concerning BLM/State land exchanges. This memorandum will be signed by the respective State Directors during April 1998.

In 1984, both agencies' goal was to exchange between 40,000 to 50,000 acres per year. However, a review of our state exchanges to date has shown that we have averaged closer to 18,000 acres per year.

Portrayed in the following tables are our exchange accomplishments for both private and state exchanges for the last 12½ years. This information was retrieved from Case Recordation (ALMRS).

Table 1 - STATE EXCHANGES - No. of Acres Transferred/ FY

FY	IDL to BLM	BLM to IDL
1986	6,140	125
1987	34,639	17,287
1988	0	0
1989	46,262	42,328
1990	0	0
1991	4,810	7,549
1992	17,667	14,186
1993	6,237	6,222
1994	492	2,543
1995	40	40
1996	0	0
1997	0	0
1998	8 161	6 578
<i>Total</i>	<i>124,448</i>	<i>96,858</i>

Table 2 - PRIVATE EXCHANGES - No. of Acres Transferred /FY

<u>FY</u>	<u>Private to BLM</u>	<u>BLM to Private</u>
1986	168	120
1987	0	0
1988	5,515	2,360
1989	1,672	3,934
1990	3,741	5,641
1991	5,914	5,760
1992	1,962	2,834
1993	6,046	11,552
1994	3,555	3,580
1995	2,082	2,075
1996	600	2,786
1997	2,596	13,816
1998	640	680
<i>Total</i>	<i>32,491</i>	<i>47,320</i>

BLM has completed 14 state exchanges since the "Idaho BLM/IDL State Exchange Strategy" was approved in 1984 (see table 3). During this same period, BLM completed 80 private exchanges and transferred about 6,400 acres per year.

Table 3 – No. of State and Private Exchanges Completed/FY

<u>FY</u>	<u>State Exchanges Completed</u>	<u>Private Exchanges Completed</u>
1986	1	2
1987	2	0
1988	0	4
1989	4	8
1990	0	6
1991	1	8
1992	1	8
1993	1	11
1994	1	8
1995	1	7
1996	0	5
1997	0	12
1998	2	1
<i>Total</i>	<i>14</i>	<i>80</i>

On the average, we have completed one state exchange and six private exchanges per year since 1986.

The following table reflects the number of state and private exchanges completed per district since 1986, including the acreage of public lands transferred out of BLM ownership.

Table 4 – State and Private Exchanges Completed by District/Acres Transferred

<u>District</u>	<u>Number</u>	<u>Private Exchanges</u>			<u>Number</u>	<u>State Exchanges</u>		
		<u>%</u>	<u>BLM to Private</u>	<u>%</u>		<u>%</u>	<u>BLM to IDL</u>	<u>%</u>
USRD *	40	50	15,759 ac.	33	10	71	57,519 ac.	59
LSRD *	16	20	12,496 ac.	27	3	21	36,797 ac.	38
UC-SC *	24	30	19,065 ac.	40	1	8	2,542 ac.	3
<i>Total</i>	<i>80</i>	<i>100%</i>	<i>47,320</i>	<i>100%</i>	<i>14</i>	<i>100%</i>	<i>96,858</i>	<i>100%</i>

* (USRD - Upper Snake River District, LSRD - Lower Snake River District, UC-SC - Upper Columbia - Salmon Clearwater Districts)

In summary, USRD completed the majority of the private (40) and State exchanges (10), and transferred the most acreage. On the other hand, UC-SC completed the fewest State exchanges, but completed the 2nd highest (24) number of private exchanges and transferred the largest number of private exchange acres.

As presented above, BLM and IDL have made significant progress in implementing the original 1984 agreement, although we have fallen short of our expectations. As shown in Table 1, by FY 1995, the State exchange program in Idaho seemed to have lost its momentum. (Please note: The exchanges completed in FY 1998 were delayed because of technical problems and would have otherwise been completed earlier).

II. Present State Exchange Opportunities

In an effort to revitalize the State exchange program and develop a consistent statewide approach for the future, a cooperative effort between BLM and IDL was made to identify potential State/BLM exchange opportunities. BLM's LeRoy Cook and IDL's Perry Whittaker visited their respective field offices to identify priority areas each agency would like to acquire through land exchange.

A map was developed from this effort which identifies these priority areas (see attachment 1). Although the map displays several areas where BLM would like to acquire State lands and areas where the State would like to acquire public lands, it does not represent all exchange opportunities. Since we have identified more exchange opportunities than we can accomplish in the near future, we have deferred exploring additional opportunities until needed.

III. Proposed Future State Exchange Program

The BLM and the State of Idaho have developed a long-term exchange program beneficial to both agencies. The foundation has been established under the current MOU. Although this MOU provides an umbrella to the overall State exchange program, BLM field offices are left to their own initiative and discretion to work with IDL's field offices to develop and complete individual exchanges. If a viable long term land exchange program is to be achieved, both agencies must establish additional guidelines and direction for their respective field managers. The following is our recommended approach:

A. Development of State Exchange Proposals

BLM District Managers and IDL Area Supervisors will work together to develop land exchange proposals. BLM and IDL will issue a joint memo, signed by both the BLM State Director and the IDL Director, which outlines the exchange program. Instructions to the field offices which will be included in the joint memo will include the following:

The initial emphasis of the State/BLM exchange program will be to focus on those exchanges with the least number of potential conflicts/political concerns and the best chance of completion. Examples of exchanges in this category may include lands within the same grazing allotments, resource area, county, etc. Field offices will be requested to submit these exchange proposals to their respective State offices within 3 months. Each exchange proposal must be signed by both the BLM District Manager and the IDL Area Supervisor. Their signatures represent agreement. Future exchange proposals will include exchanges with more potential for controversy. Exchanges will not be limited by administrative boundaries.

In the development of exchange proposals, field managers are expected to resolve issues with their counterparts. In the event the issues cannot be resolved, the BLM District Manager and the IDL Area Supervisor will submit independent proposals to their respective State Offices with an explanation of why agreement can't be reached. Disputes will be resolved at the State Office level.

B. Development & Approval of an Out Year BLM/State Exchange Plan

BLM's Branch Chief, Lands and Minerals and IDL's Bureau Chief of Real Estate will jointly review and prioritize the proposed exchanges and develop a out year plan with the objective of initiating at least one new exchange each year. The proposed out year exchange plan will be reviewed by BLM's DSD, Resource Services Division and IDL's Assistant Director of Land, Range, and Minerals. The plan will then be submitted to BLM's Idaho Corporate Team (ICT) and the Land Board for approval. Once the plan has been approved by the Land Board and the ICT, the BLM State Director and the

Director of IDL will give final approval of the out year plan, and feedback will be given to each agencies' field managers for implementation. BLM will typically issue instructions through our budgeting process.

C. Monitoring of the State Exchange Program

This exchange program will be monitored to determine if it is successful or if outstanding issues require resolution. The DSD, Resources Services Division and IDL's Assistant Director of Lands, Range and Minerals shall meet annually in February to review the out year plan, and address issues and concerns encountered when processing these exchanges.

Response Format for Potential State / BLM Land Exchanges

1. Field Office(s): _____

2. Exchange Name: _____ Geographical Area _____

_____ BLM/IDL Acreage: _____

3. Priority: High _____ Medium _____ Low _____

4. Proposed year to start action: _____

5. Estimate processing time, support needs: _____

6. Public Benefits: _____

7. Potential Conflicts/Political Concerns: _____

8. Conformance w/Planning Documents: _____

9. Agreement:

BLM Field Manager _____ phone _____

IDL Area Manager _____ phone _____

10. Map – Attach a general location map showing both the offered and selected lands. Specific legal descriptions should be provided as a separate attachment.

(4/07/1998)

MEMORANDUM OF UNDERSTANDING

between

U.S. Department of the Interior - Bureau of Land Management; and

State of Idaho - Department of Lands

concerning:

State/BLM Land Exchanges

I. PURPOSE:

This Memorandum of Understanding (MOU), developed and entered into by the Idaho State Director, USDI, Bureau of Land Management (BLM), and the Director, State of Idaho, Department of Lands (IDL) sets forth the procedures and guidance for the coordination and cooperation necessary to efficiently process land exchanges.

This MOU has been developed in recognition that the State Board of Land Commissioners (Board) is the trustee of State endowment lands and that trust relationship is created by the Idaho Constitution and the Idaho Admissions Bill. The Idaho Admissions Bill includes grants of various lands to the State from the Federal government to be held in trust for named beneficiaries.

Much of Idaho's endowment land is scattered throughout public land areas and scattered public lands are located among IDL lands, which often presents management concerns for both IDL and BLM. It is desirable for IDL to consolidate land holdings and for BLM to complete exchanges which achieve resource objectives.

II. OBJECTIVES:

BLM desires to expedite exchanges of certain lands (or interests in lands) for purposes of more efficient management and to secure important objectives including: 1) the protection of fish and wildlife habitat, 2) the protection of unique plant communities, 3) the enhancement of recreation opportunities, 4) the consolidation of surface and subsurface estates, and 5) the fulfillment of public needs.

IDL desires to expedite exchanges of certain lands (or interests in lands) for purposes of more efficient management and to secure important objectives including: 1) the generation of revenue for the state endowment beneficiaries, 2) eliminate unnecessary federal and state conflicts resulting from existing ownership patterns, and 3) to facilitate management of state endowment lands by consolidating scattered state sections into consolidated blocks.

III. AUTHORITIES:

The Federal Land Policy and Management Act of 1976 (90 Stat. 2743).

The Federal Land Exchange Facilitation Act of 1988 (102 Stat. 1086).

Idaho Code, Section 58-132, 58-133, and 58-138.

Idaho Admissions Bill section 5(b).

Article IX, Section 8 of the Idaho Constitution.

IV. PROCEDURES:

The BLM and IDL must follow statutory and regulatory requirements when processing land exchanges. This MOU is not designed to change any of these existing statutory and regulatory requirements or to bind the parties, but only to outline a process which identifies each parties' general responsibilities in the exchange process.

A. Cost

IDL and BLM agree in principle to share the processing costs of exchanges, subject to legislative and congressional appropriations. Both parties agree to aggressively explore opportunities to streamline the land exchange process and to lower the costs associated with exchanges consistent with State and Federal Regulations. In the event that personnel and budgetary constraints may hinder the expeditious processing of an exchange, either agency may request assistance from the other agency. The assistance may be in the form of funding, labor or other services. Specific work projects or activities which involve the transfer of funds, services, or property between the parties to this MOU requires the execution of separate agreements or contracts, contingent upon the availability of funds.

B. Development of Exchange Proposals

IDL and BLM will jointly develop exchange proposals, taking into consideration the selection criteria identified in Addendum 1, land use plan decisions and agency policy decisions. Exchanges will primarily originate at the field level with assistance from each agency's respective state office as required. The agencies will hold annual meetings to discuss ongoing exchanges, to discuss budget and personnel needs and constraints and to plan for future exchanges.

C. Preliminary Scoping and Notification

It is the policy of BLM and IDL to fully involve the public and affected parties in the exchange process. IDL and BLM will cooperate to solicit public input regarding proposed exchanges through joint public notices and/or public hearings. Once parcels have been mutually identified, both BLM and IDL shall give appropriate statutory notices so that the exchange will be in compliance with the administrative process necessary to complete the proposed exchange.

D. Responsibility During the Exchange Process

During the processing of an exchange, both IDL and BLM are responsible for their respective lands until title is transferred. In addition, BLM and IDL will not take any discretionary action on their respective lands that would adversely affect the completion of the exchange.

E. Land Board Coordination and Approval

IDL will obtain conceptual approval for an exchange from the State Board of Land Commissioners when IDL and BLM have mutually agreed on an exchange proposal.

Once board conceptual approval has been granted, BLM and IDL will identify potential conflicts through a scoping process, and address the concerns of interested parties. Prior to completion of a proposed exchange, IDL will obtain final approval from the Land Board.

F. Agreement to Initiate an Exchange

Once the BLM and IDL (through the Board) conceptually agree on an exchange, both agencies will execute an *Agreement to Initiate an Exchange*, as identified in the Federal Land Exchange Facilitation Act (FLEFA).

G. Appraisals

- (1) All exchanges are made on the basis of equal value as determined by market value appraisals. When appraised values are not equal, values are balanced by adjustment in acreage.
- (2) The appraisal process begins when all problems that could slow down or prevent an exchange are resolved, or when there is a mutual decision by the agency directors to proceed.
- (3) Acceptable methods of the appraisal include:
 - a) Each agency prepares separate appraisals on both offered/selected lands.
 - b) Agencies prepare a joint appraisal resulting in one appraisal report signed by both parties.
 - c) Appraisal prepared by a qualified fee appraiser acceptable to IDL and BLM. Appraisers shall be chosen in accordance with requirements of State/Federal law relating to the contracting of appraisal services. IDL and BLM will jointly develop appraisal instructions, contract, select appraiser, discuss appraisal

project with appraiser, and administer the contract and any modifications. IDL will oversee day to day activities under the contract in coordination with BLM. IDL and BLM will share in the costs of the appraisal contract.

- (4) Regardless of appraisal method, the appraisal report must be reviewed and approved by the appropriate reviewing authority of each agency.

H. Timber Cruise

- (1) When commercial forest land is involved in exchange, both agencies will agree to:
 - a) The forest type and area to be cruised.
 - b) Method of cruise and number of plots needed, although sampling error for the cruise should not exceed 10 percent.
 - c) Cruising plan.
 - d) Joint cruises (one or more personnel from each agency will comprise the cruise party).
 - e) Jointly check cruises.

I. Hazardous Materials

Each agency inspects all pertinent records and conducts a physical inspection of their respective lands to be exchanged for the presence of any hazardous materials as defined by applicable law. The results of these inspections are made available to the acquiring agency and cannot be older than one (1) year from the date the deeds are accepted. Either agency may choose not to convey or accept any lands that are determined to have or have had hazardous materials present. Responsibility for costs of remedial action related to materials identified by such inspections are borne by those entities responsible under existing law.

J. Special Status Species

BLM will identify proposed and listed threatened or endangered species and/or proposed or designated critical habitat on the public lands identified for exchange. BLM will complete all Endangered Species Act, Section 7 requirements with the U.S. Fish and Wildlife Service and/or National Marine Fisheries Service.

K. Cultural Resources and Trust Responsibilities

In consultation with the Idaho State Historic Preservation Officer (SHPO), the BLM and IDL will make a reasonable and good faith effort to identify historic properties that are affected by each land exchange. If there are historic properties that an exchange may affect, the BLM and IDL will notify the Advisory Council on Historic Preservation and consult with the SHPO to seek ways to avoid or reduce the effect on historic properties.

The BLM will consult with affected Indian Tribes and consider any identified impacts to either trust lands or sacred sites which are on lands proposed to leave Federal ownership. If there are trust lands or sacred sites identified, BLM will notify and consult with the Tribes to seek ways to avoid or reduce the affect on these lands.

L. Minerals

BLM and IDL will document the potential for minerals on the lands they administer. These documents may be reviewed by the acquiring agency. Mineral rights will be transferred with the surface rights whenever possible. Where circumstances preclude a transfer of federal mineral rights, IDL will reserve mineral rights of similar value in those particular exchange proposals.

M. Water Rights

Water rights will be transferred with the surface rights.

N. Valid Existing Rights

Both BLM and IDL (through the board) will acquire the exchanged lands or interest in lands subject to valid existing rights. The appraisal report will identify any existing rights.

O. Existing Grazing Permittee/Lesseees

It is the intent of BLM and IDL to recognize existing grazing authorizations in land exchanges between the BLM and the State of Idaho. Consultation among the BLM, State, Permittees, Lessees and interested members of the public is standard policy throughout the exchange process.

(1) Federal Land Transferring to State Ownership:

- a) Prior to the transfer of Federal lands to the State, the BLM will consider the issuance of a ten (10) year grazing permit through provisions of the current grazing regulations.

- b) On an exchange by exchange basis, the Land Board will consider acceptance of federal land subject to a federal grazing permit in accordance with *Idaho Code* § 58-138(2), where such an exchange would be in the state's best interest. If the Board does accept such an exchange, the BLM grazing permit will be honored, administered by and subject to the State's rental rate, grazing management plan and lease provisions, rules and conditions of the Land Board, and any other applicable state statutes.
 - c) On an exchange by exchange basis, the Land Board will consider issuing the first state grazing lease to be issued following the expiration of any BLM permit to the former BLM permit holder, without the opportunity for conflict applications to be filed, in accordance with I.C. § 58-138(4). If the Board does agree to issue the first lease to the former BLM permit holder in this matter, the permit holder must agree in writing to enter into a written management plan which meets IDL's standards. This determination shall be made at the time the land exchange is approved by the Board. Temporary non-renewable federal permits will not be considered for a state lease under this provision.
 - d) If the land is accepted subject to a BLM permit, the State will determine, prior to the completion of the exchange, the number of federal AUMs to be referred to as an exchange credit to be carried throughout the term of the permit. Said number of AUMs will also apply to the first state grazing lease issued, if the lease is issued to the former BLM permit holder under I.C. § 58-138(4) as set forth in 1 (c) above. At such time as a competitive bidder is successful at a conflict auction for the state grazing lease, the conflictor must pay the current appraised value of the previous Federal permit to the previous lessee. The exchange credit is assignable during the term of the federal permit and first state lease, in the event the federal lands are acquired subject to a federal permit. This credit extinguishes at the end of the first state lease. The actual use may be adjusted up or down to reflect management decisions, but the number of AUMs carried for purposes of the permit value will not change. This number will normally be established according to the specific amount of federal AUMs transferring to the state as a result of the exchange. However, when this number is not available, the average amount of AUMs, excluding temporary non-renewable AUMs, listed in the federal permit for the immediate two (2) years prior to the exchange will be issued.
- (2) State Lands Transferring to Federal Ownership: At the time of transfer, BLM will consider issuance of a ten (10) year grazing permit in accordance with the current grazing regulations (43 CFR 4100) to the former State lessee, if they qualify under the current grazing regulations. Class of livestock, AUMs, and seasons-of-use are to be compatible with surrounding grazing management of the federal allotment(s) in which the newly acquired Federal lands are located.

- (3) Range Improvement Considerations: When the permittee/lessee has improvements on lands being considered for exchange, the acquiring agency will enter into an agreement/permit with the permittee to equitably recognize the value of the improvements and assign maintenance responsibility in accordance with its rules and statutes.

V. ADMINISTRATION:

- A. The parties agree that this MOU is not intended to create any third party beneficiary. Nothing in this MOU is construed as creating any rights of enforcement by any person or entity.
- B. This MOU becomes effective only upon its execution by both parties. The effective date of the MOU is the date of signature of the last of the subscribed parties. This MOU remains in effect until termination by either party upon sixty (60) days written notice to the other.
- C. This MOU may be amended by mutual written consent of both parties.
- D. This MOU constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein. This MOU represents the totality of the agreement and understanding of the parties and supersedes all prior agreements, understandings, memoranda, or representations between and among all the parties, either oral or written, with respect to such subject matter, including, but not limited to the August 1987 MOU.
- E. The parties to this MOU mutually confirm that they have negotiated this MOU for their mutual benefit. This MOU should not be construed in favor of any subscribed party, but should be construed to achieve the intent of the parties.
- F. This MOU is subject to the laws of the State of Idaho, the laws of the United States, and the delegated authority assigned in each instance. This MOU does not obligate either party to the expenditure of funds or for future payment of money in excess of appropriations authorized by law.
- G. Specific work projects or activities which involve the transfer of funds, services, or property between the parties to this MOU requires the execution of separate agreements or contracts, contingent upon the availability of funds.

VI. PRINCIPAL CONTACTS:

Jimmie Buxton, Bureau of Land Management, (208) 373-3861

Perry Whittaker, Idaho Department of Lands, (208) 334-0233

VII. APPROVED:

U.S. BUREAU OF LAND MANAGEMENT
Idaho State Office

STATE OF IDAHO
Department of Lands

/s/ Martha G. Hahn
Martha G. Hahn
Idaho State Director

May 14, 1998
Date

/s/ Stanley F. Hamilton
Stanley F. Hamilton
Director

May 8, 1998
Date

Addendum I
EXCHANGE CRITERIA

Selection criteria have been jointly developed by the Idaho Department of Lands and the Bureau of Land Management to serve as a guide in developing individual exchange proposals. These criteria will help the agencies focus their future exchange proposals, and help streamline the development of exchange proposals.

BLM and IDL Exchange Selection Criteria

- All lands included in an exchange must be consistent with BLM land use plans.
- Eliminate scattered, isolated parcels of land, where possible.
- Add to existing blocks of state or federal ownership, where possible.
- Create logical management units, where possible.
- Follow grazing allotment boundaries, where possible.
- Avoid proposing lands for exchange that have known encumbrances or conflicts, such as mining claims, special designations, oil and gas, or mineral values.
- Where possible, keep selected and offered lands in the same county.

It is understood that within the framework of the above exchange criteria BLM will focus on the following factors when identifying IDL lands for acquisition:

- Bring under Federal administration, lands with important and / or unique resource values best managed for the public benefit.
- Eliminate non-Federal surface and subsurface in holdings within special designation or management areas.
- Provide access to Federal land or consolidate surface and subsurface ownership in areas identified for retention.
- Acquire lands mandated by legislation.
- Acquire lands which are consistent with the Bureau's State / National priorities.

It is understood that within the framework of the above exchange criteria IDL will focus on the following factors when identifying BLM lands for acquisition:

- Acquire productive lands with good income/improvement potential, or which enhance potential for competition.
- Acquire Federal land which will provide access to State endowment land in areas identified for long term management.
- Acquire Federal land consistent with the objectives of the State Board of Land Commissioners.
- Consider proximity to area offices and long-term management objectives.
- Block up State endowment lands for administrative purposes to benefit the beneficiary(s).

**Idaho BLM
Land Exchanges Completed
FY 1994-2004**

FISCAL YEAR	LAND EXCHANGES COMPLETED	BLM ACRES	PRIVATE ACRES
1994 *	9	6,125	4,049
1995 *	8	2,117	2,123
1996	5	2,786	600
1997	12	5,998	2,595
1998 **	7	8,566	9,861
1999	7	1,986	500
2000	3	301	282
2001	9	1,725	1,040
2002	3	715	660
2003	5	7,918	1,296
2004 *	1	831	1,570
TOTALS	69	39,068	24,576
* 1 state exchange			
**2 state exchanges			

IDAHO'S 2004 EXCHANGES
(Currently being Processed)

IDI 34127: Forest Capital Partners Exchange (Coeur d'Alene FO - Private Exchange)

The NET approved the Decision Package for this exchange on June 7, 2004. In this exchange, BLM will exchange 7 parcels of public land for 2 parcels of land in the West Fork of the Pine Creek Drainage.

Federal Acreage: 480.6 acres	Estimated Value: \$1,160,000
Private Acreage: 360 acres	Estimated Value: \$1,095,000

IDI 33407: Birch Creek Exchange (Salmon FO – Private Exchange)

The NET approved the Decision Package for this exchange on July 23, 2003. This is the fifth and final transaction of the Birch Creek Exchange. Since 1995, four separate transactions were completed in which BLM exchanged 5,256.91 acres of Federal land and acquired 1,080 acres in Birch Creek from TNC. The 11 parcels of Federal land which are currently identified for exchange are small isolated parcels of land in Lemhi and Custer County.

Federal Acreage: 271.59 acres	Estimated Value: \$79,105 + ledger balance of \$136,488 + \$67,907 LWCF funds
Private Acreage: 320 acres	Estimated Value: \$283,500

**IDI 33093: Idaho Department of Transportation/Summercamp Exchange
(Owyhee Field Office – State Exchange)**

The NET approved the Feasibility Package for this exchange on October 2, 2003. We anticipate that this exchange will be completed in FY 2005. In this exchange, BLM will exchange 17.78 acres of land located adjacent to ITD's port of entry on Highway 95, near Marsing. In exchange, BLM will acquire 1.4 acres of State land along the South Fork of the Payette River. This property is adjacent to BLM's Confluence Recreation Site and the site will be expanded to provide a safe boater put-in/take-out along the Payette River.

Federal Acreage: 17.78 acres	Estimated Value: \$48,000
State Acreage: 1.4 acres	Estimated Value: \$48,000

IDI 33283: Michael Shenk Exchange (Jarbidge Field Office – Private Exchange)

The Decision Package for this exchange was submitted to the NET on May 26, 2004. We anticipate that this exchange will be completed in FY 2005. In this exchange, BLM will acquire 40+ acres within a short distance from the Snake River for 40 acres of property which Mr. Shenk will incorporate into his farming operation.

Federal Acreage: 40 acres	Value: \$7,800
Private Acreage: 40 acres	Value: \$7,800

IDI 34282: Rocky Canyon Exchange (Four Rivers Field Office – State Exchange)

The NET approved the Feasibility Package for this exchange on October 23, 2003. BLM will exchange 8 parcels of federal land scattered throughout Ada, Boise, Valley and Idaho Counties for one large block of state property in the Boise Front ACEC.

Federal Acreage: 541.45 acres

Estimated Value: \$411,800 - \$766,900

State Acreage: 730.32 acres

Estimated Value: \$730,000 - \$1,095,500

IDI 33354: US Ecology Idaho Exchange (LSRD – Private Exchange)

The NET approved the Feasibility Package for this exchange on December 23, 2003. In this exchange, BLM will exchange public land for up to 440 acres of private land which lie within or adjacent to the Snake River Birds of Prey National Conservation Area. The public lands which will be exchanged will provide a buffer around US Ecology's hazardous waste treatment facility, which is located about 11 miles northwest of Grandview, Idaho.

IDI 34538 Boise Front Legislated Exchange (BLM, USFS, IDL, City of Boise)

This Feasibility Package for the 3-way legislative exchange was submitted to the NET on August 9, 2004. It is anticipated that the legislation for this exchange will be introduced by Senator Craig.

IDI 34836 Kenneth Blevins Exchange (LSRD – Private Exchange)

The Feasibility Package for this exchange was submitted to the Solicitors Office for surnaming on August 13, 2004. In this exchange BLM will exchange 160 acres of property for a 160 acres private inholding adjacent to the Birds of Prey National Conservation Area. The properties have been appraised at \$96,000 each.

MEDICINE LODGE RMP (April 1985)

The Medicine Lodge Planning Unit is divided into 9 management areas. The public lands within these management areas were categorized into 3 Use Classes. Moderate and Limited Use Classes – public lands within these two use classes are generally retained in federal ownership, however land exchange proposals clearly in the public interest and R&PP applications will be considered. Transfer Class – delineates those public lands which are considered for transfer out of federal ownership.

Management Area 1 (Medicine Lodge)

- 168,209 acres classified as moderate or limited use
- 280 acres of isolated tracts classified for transfer

Management Area 2 (Table Butte/Twin Buttes)

- 153,366 acres classified as moderate use
- 0 acres classified as limited use
- 3,195 acres classified for transfer

Management Area 3 (Camas Creek)

- 58,680 acres classified as moderate use
- 0 acres classified as limited use
- 800 acres classified for transfer

Management Area 4 (Scattered Tracts)

- 25,259 acres classified as moderate or limited use
- 3,328 acres classified for transfer

Management Area 5 (Sands)

- 187,473 acres classified as moderate or limited use
- 80 acres classified for transfer

Management Area 6 (Sand Mountain)

- 27,580 acres classified as moderate or limited use
- 0 acres classified for transfer

Management Area 7 (INEL)

- 0 acres classified as moderate use or for transfer
- 140,415 acres classified as limited use

Management Area 8 (Willow Creek/Tex Creek)

- 11,490 acres classified as moderate use
- 0 acres classified as limited use or for transfer

Management Area 9 (Snake River)

- 0 acres classified as moderate use
- 14,866 acres classified as limited use
- 486 acres classified for transfer

Total acreage within the Medicine Lodge RMA which will be retained unless the disposal is found to be in the public interest (moderate/limited use area): 787,338 acres. Total acreage specifically identified for disposal: 8,289 acres scattered throughout the planning area. (MAP)

**BIG DESERT MFP
(October 1981)
(Update & Status Summary – January 1988)**

This is an old plan which is difficult to understand without the overlays. This plan recommends the disposal of isolated tracts which do not have resource values. It also recommends exchange as the first priority disposal method. It recommends disposing of 3,300.94 acres of public land. The Update Status Summary document contains a list of lands (by legal description) of the lands identified for disposal. **(MAP – unreadable)**

**LITTLE LOST/ BIRCH CREEK MFP
(Updated May 1997)**

This is an old plan which is difficult to understand without the overlays. There have been two plan amendments for land exchanges, one completed in 1989 and one completed in 1991. These exchanges have been completed. It does not appear that many parcels were identified for disposal. **(NO MAP)**

**BIG LOST MFP (1982)
(Decision Update – February 1988)**

This old plan identified 1,860 acres of isolated tracts for disposal by sale, exchange, R&PP, or DLE. This plan contains a list (by legal description) of the lands available for disposal. **(NO MAP)**

**MONUMENT RMP, TWIN FALLS MFP,
CASSIA RMP, MALAD HILLS MFP
(October 1990)**

The lands within these planning areas were divided into two categories – Management Areas or Adjustment Areas. Public lands within Management Areas will be retained in federal ownership and managed for long term public use and benefit. In Adjustment Areas, scattered parcels of public land are generally isolated and difficult to manage. These lands would be exchanged for private or state land within or adjacent to the Management Areas. The main way public lands would be disposed of would be by exchange, however other miscellaneous disposal actions such as DLE, Carey Act, R&PP, Color-of-Title, Airport Conveyances, etc would also be considered.

Burley District – 1,385,000 acres of public land
72,000 acres of public land identified for disposal (Adjustment Area lands)
1,313,000 acres of public land would be designated as a Management Area (retention area)

The emphasis was placed on using the Adjustment Area lands to acquire through exchange private and state lands within or adjacent to the Management Areas.

Acreage identified for Disposal by County

Blaine	1,130 acres
Cassia	40,843 acres
Lincoln	160 acres
Jerome	2,280 acres
Minidoka	560 acres
Oneida	4,000 acres
Power	9,720 acres
Twin Falls	<u>13,706 acres</u>
TOTAL:	72,399 acres

(MAP)

**MALAD MFP
(1981)**

This is an old plan which is difficult to understand. 815 acres have been identified for disposal. Two plan amendments have been completed to allow for exchanges. These amendments were signed in 1988. In 1990 the Monument RMP, Cassia RMP, Twin Falls MFP and Malad Hills MFP were amended. See write up above for disposal acreage by County for this planning area.

POCATELLO RMP (1988)

A mix of resource uses will be allowed. Production and use of commodity resources and commercial use authorizations will occur, but fragile resources, wildlife habitat, cultural values, and other non-consumptive resource uses will be protected.

Retain a public land base of 247,413 acres for long-term management in Federal ownership and consider 17,068 acres for disposal actions. Included in this 17,068 acres are 8,124 acres that would be considered for exchange only. Land tenure adjustments would occur through exchanges with the State and private landowners. BLM would attempt to acquire 9,687 acres of private land and 9,880 acres of State land. The parcels identified for disposal are small isolated parcels scattered through out the planning area. **(MAP)**

SHOSHONE Land Use Plans (Land Tenure Adjustment) August 2003

Plans covered by this Amendment include the Magic MFP (1975), the Bennett Hills/Timmerman Hills MFP (1976), the Sun Valley MFP (1982), and the Monument RMP (1976).

Land tenure adjustment- Previous plans limited land tenure adjustments (disposals) to those tracts that were identified for disposal in the existing land use plans (approximately 50,000 acres). The amendment changed land tenure adjustment guidance for the entire Shoshone Field Office area by defining land management zones where public lands are identified for retention or can be considered for disposal.

- Zone 1 lands (14,000 acres) are identified for retention.
- Zone 2 lands (950,000 acres) will be retained, except for public lands along a boundary with Zones 3, 4, or 5. These lands may be disposed of in order to acquire additional high resource value lands and/or consolidate public land ownership.
- Zone 3 lands (127,000 acres) will emphasize land tenure adjustments that consolidate ownership and improve manageability of public lands.
- Zone 4 (62,000 acres) contains public lands that are isolated tracts. The emphasis in this zone is to dispose of appropriate tracts primarily through exchange in order to improve resource values and consolidate ownership within Zones 1, 2, 3, and 5.
- Zone 5 (121,000 acres) stresses consolidation of ownership; however, unique considerations of the Zone 5 area (Wood River Valley) must be evaluated prior to any land tenure adjustment.

(MAP – Map 2 and Map 3 in the Amendments to Shoshone Field Office Land Use Plans for Land Tenure Adjustment and ACEC, August 2003)

OWYHEE RMP (December 1999)

Make available for disposal approximately 325,000 acres of public land by sale, exchange, or R&PP during the life of the plan.

This RMP divided the Planning Area into several zones.

- Zone 1: Lands are to be retained in public ownership. Lands in this zone have high resource values including WSAs, Wild and Scenic Rivers, ACECs, Wild Horse Herd Management Areas, crucial wildlife habitat or recreation values. Land in this zone will be considered for R&PP on a site-by-site basis.
- Zone 2: Lands will be retained in public ownership except for voluntary exchanges to resolve land use conflicts within this zone. Zone 2 coincides with the BOP NCA.
- Zone 3: Lands in Zone 3 are available for all forms of disposal except FLPMA sale, DLE, or Carey Act.
- Zone 4: Lands in Zone 4 are available for disposal by sale and all other forms of disposal except DLEs and the Carey Act. 10,698.96 acres of land in Zone 4 are potentially suitable for disposal under Section 203 of FLPMA or any other method of disposal.

(MAP –LAND-2, M-22/23)

JARBIDGE RMP (1987)

The RMP identifies 90,366 acres of public land for possible transfer out of Federal ownership through exchange, sale or appropriate agricultural entry laws. Detailed analysis will be conducted on a case by case basis before decisions are made to dispose of these lands. The remaining 1,599,027 acres of public land will be retained in Federal ownership. The RMP contains a list of lands, by legal description, which were identified for potential disposal.

Lands identified for sale only (T1): 1,239.96 acres

Lands identified for sale or exchange (T2): 9,605.15

Lands identified for exchange only (T3): 6,078.99 acres

Lands identified for agricultural entry (T4): 73,464.45 acres

(MAP – Jarbidge RMP –Map 4 Proposed Management Plan)

CASCADE RMP (August 1987)

For land tenure adjustment, 17,604 acres will be made available for transfer from federal ownership. Of this, 560 acres will be available for potential agricultural development under the DLE Act, 563 acres will be for sale, 10,107 acres will be for sale or exchange, and 6,374 acres will be available for exchange only.

- Moderate Use Class (328,453 acres) – Lands in this class will be managed for the production and use of forage, timber, minerals and energy, other consumptive resources, and recreation while maintaining or enhancing natural systems. Public lands will be retained in federal ownership.
- Limited Use Class (138,403 acres)
- Intensive Use Class (3,004 acres)
- Transfer Class The purpose of a transfer class is to delineate public lands available for transfer out of federal ownership. All public lands not identified in a transfer category will be retained in public ownership.

In general, the public lands consist of scattered, unconsolidated tracts intermingled with state and private lands. The BLM manages approximately 487,466 acres of public land in the Cascade Management Plan. Of the original 17,604 acres identified for disposal, only 4,000 acres were available for disposal when the plan was completed. Approximately 13,500 acres have been disposed of since the plan was completed. The Cascade RMP contains a list of lands by legal description which have been identified for disposal.

(MAP – Cascade RMP – Map 3)

KUNA MFP (March 1983)

This is a difficult plan to understand without the overlays. The plan does recommend the disposal of scattered isolated tracts of public land as these properties are expensive to manage and do not have public values for retention. It also recommends providing opportunities for state and local governments to acquire sufficient lands to meet their needs for urban/suburban expansion, R&PP and communication needs. A significant amount of public land has been identified for disposal on the map entitled Bruneau-Kuna Land Use Status and Planning Summary. Well over 70,000 acres have been identified as available for disposal. In addition, there is an additional 70,000 acres, plus or minus, which require additional study and may be considered for disposal.

(MAP – Bruneau-Kuna Land Use Status and Planning Summary – Map 2)

**EMERALD EMPIRE &
CHIEF JOSEPH MFPs
(Land Tenure Adjustment Plan Amendment)
(August 1989)**

19 Management Areas were identified within the two planning units. Public land in these Management Areas will remain in public ownership unless land use plans are amended accordingly. The remainder of the area is considered an adjustment area and the public land in this area is not considered essential for long-term public ownership. These properties would be available for disposal following site-specific environmental analysis.
(MAP)

**LEMHI RMP
(April 1987)
(Amendment 2001)**

The Lemhi RMP Area has been divided into several multiple use or transfer classes.

- Moderate Use Class: 140,047 acres are classified as moderate use. Moderate use classes delineate public lands that are suitable for a wide variety of existing and potential uses. Public lands in a moderate use class will be retained in federal ownership.
- Limited Use Class: 313,684 acres are classified as limited use. Limited use classes delineate public lands where strict environmental controls are required to protect sensitive and significant resources. Public lands in a limited use class will be retained in federal ownership.
- Intensive Use/Development Class: 9 Recreation sites are classified as Intensive Use/Development Sites. Public lands in an intensive use/development class will be retained in federal ownership.
- Transfer Class: 5,835 (4,495 acres for sale or exchange and 1,340 acres for DLE) acres are classified for transfer in the RMP. The purpose of the transfer class is to delineate public lands that may be considered for transfer out of federal ownership. The 2001 Amendment increases the lands available for disposal from 5,835 to 8,035 acres.

The 2001 Amendment identified an additional 2,200 acres for possible disposal by exchange. The exchange of these lands would allow acquisition of land with values such as segments of the Lewis and Clark Trail, riparian habitat, fisheries and wildlife values, and/or potential recreation sites.

(MAP – Lemhi Proposed RMP – Map 3)

CHALLIS RMP (July 1999)

Retain approximately 729,500 acres of BLM lands within the Management Areas. Approximately 12,315 acres of BLM land have been identified for potential disposal only in exchange for private parcels located within the Chilly Slough Wetland Conservation Project area. An additional 2,962 acres would be available for either Chilly Slough or State of Idaho exchange only. BLM tracts within the adjustment areas (approximately 63,075 acres) would be made available for disposal under FLPMA. Of this 63,075 acres, 4,805.84 acres would be available for sale and 36,915 acres would be available for exchange only with the State of Idaho. Attachment 17 of the Challis RMP contains a list (by legal description) of the lands identified for sale (4,805.84 acres). A total of 63,075 acres in the Challis RMP were identified for disposal.
(MAP – Map A Adjustment/Management Areas, Challis RMP)

IDAHO

State Land Exchange Opportunities

